

**Town of Milton**  
**Town Council Workshop Meeting Minutes**  
**May 31, 2005**

Mayor John Bushey called the special meeting to order at 7:00 p.m. at Mariner Middle School.

PRESENT: Mayor John Bushey  
Councilman Noble Prettyman  
Councilman Don Post  
Councilwoman Ronda Melson  
Councilman Gene Dvornick

ABSENT: Councilwoman Leah Betts  
Councilman Jerry Hudson

Others Present: Harold Godwin, Town Manager  
Dawn Johnson, Town Administrative Assistant

**Chesapeake Utility Proposal**

Jim Moore, Jim Schneider, and Rich Felton were present on behalf of Chesapeake Utilities.

Jim Moore reported that Chesapeake Utilities came before Council in December about their hope/plan to bring natural gas to Milton. Generally, their franchise agreements are 25-30 year agreements. The intent is to move south and pick up business.

Councilman Dvornick asked what the incentive to the Town is to entering into an exclusive agreement with Chesapeake Utilities. Mr. Moore responded that the agreement is intended to include propane only, not manufactured or mixed gases.

Councilman Dvornick asked if the franchises that Chesapeake currently has with other Town's are a fixed or variable fee. Mr. Moore stated that they are a variable fee based on volume sold. They have franchise agreements with Smyrna and Milford.

Councilman Dvornick asked if they have any plans for "bulk storage"? Mr. Moore stated that there are none anticipated.

Wayne Baker, Dean, Sherman, and Stephen Willey were present on behalf of propane dealers. Mr. Baker stated that the concerns that they had with the proposal was that it included propane and heating oils (manufactured gases) and was not exclusive to "natural gas". Those concerns have been addressed in that the agreement is for natural gas only.

Councilman Dvornick asked how the taxes are calculated. Mr. Moore was not sure, but said he believes it ranges based on the installed value of the pipe.

Mayor Bushey noted that the next step for Chesapeake Utilities is to be put on the Council agenda for June or July to address franchise fees and other concerns.

Councilman Dvornick asked Town Manager Godwin to do some follow-up research and either Mr. Godwin will contact Chesapeake Utilities or vice versa.

**Adjournment**

Councilman Dvornick made a ***motion*** to adjourn the meeting at 7:50 p.m., seconded by Councilwoman Melson.

Motion carried – “Aye”

Respectfully submitted,

Dawn Johnson  
Administrative Assistant

:6/14/05